

DELAWARE MANUFACTURING HOME RELOCATION AUTHORITY

1675 S. State Street
Dover, Delaware

Minutes of September 28, 2011

IN ATTENDANCE:

Authority: Richard Lemire, Chairman
Terri Rock
Derek Strine
Caron Thompson via telephone
Joanne Agostarola via telephone
Brian Posey
Fred Neil

Absent: Charles Clark
Ken Fuchs (Excused)

Legal Counsel: William Denman

Other Attendees: Ed Speraw, Code Investigator
Scott Sipple, Accountant

I. CALL TO ORDER:

Mr. Lemire called the meeting to order at 1:05 p.m.

II. REVIEW AND APPROVAL OF MINUTES:

Mr. Neil made a motion to accept the minutes from the August 10, 2011 meeting.
Mr. Strine seconded the motion.

Unanimous approval was given by all members present by voice vote.

III. OLD BUSINESS:

Ms. Lantz received a phone call from the lawyer for Mr. John Burton who owns both Burtons Mobile Home Park and Warrington Trailer Park. Mr. Burton claims that both parks are seasonal and therefore don't fall under the RTA assessment. Mr. Denman called the attorney, Mr. Primos, and told him to get documentation together that confirms they are both seasonal parks. Mr. Primos will send detailed documentation to Mr. Denman who will then get back to the Board.

Mr. Speraw mentioned Daniels MHP and says he drove by there in December and people were there shoveling snow. That is definitely not a seasonal park. Mr. Denman stated that according to our records they are a seasonal park.

Mr. Denman stated in respect to Burton MHP, they have a caretaker who is taking care of the park year round. When the light is on in January that doesn't mean people are living there year round.

Mr. Speraw brought up Mason-Dixon Trailer Park. He just went to a meeting there last Saturday. The owner is Nancy Spicer Reilly and according to Mr. Speraw she put into the lease that it is a seasonal park and they can't live there year round. The tenants can come down during the winter for a couple of days. Mr. Strine then asked how they can do that if the water is turned off? Mr. Speraw stated that the water was not turned off during the winter months. People pay for water and sewage by the quarter. This doesn't make the park seasonal. Mr. Denman stated that it is difficult to enforce.

Mr. Speraw explained that up the street from them is a park called Treasure Beach. This park is shut down during the winter months and tenants have to wait until April to get back in. Everything is shut off. Mr. Neil asked what about water and trash? Do they have those amenities or not? Mr. Denman stated that the definition of "seasonal park" is not a model of clarity. The statute gives you examples of what the characteristics are for a "seasonal park"; for example it can't be occupied for more than 8 months. The lease can say one thing, but if you turn your back and allow it to turn into something else, the park may not be "seasonal" in fact. The statute says a seasonal park has a lack of year round utilities. All the residents have other homes elsewhere. When we get to the seasonal park determinations one thing Mr. Denman stated we could do is send all the tenants a letter letting them know they don't fall under the RTA and if their lease get's terminated due to a change in use, they won't be able to apply for benefits.

Mr. Lemire asked what happened if tenants in a seasonal wanted to contribute to the RTA? Mr. Denman did not think that tenants in seasonal parks could opt into our program due to our statute. Mr. Lemire thought that the contributions are a nice insurance policy to have.

Mr. Denman stated that in deciding whether a park is "seasonal", every case has to be decided on its own facts.

Ms. Rock stated that she manages a park that is supposedly seasonal, but the park is open year round. The lease states the park is seasonal, but people are there year round. Mr. Strine asked if the water was turned off? Ms. Rock stated that it was not. Ms. Rock stated that they have to do what the county requires them to do in order to keep their license. They don't come in and check anything out. You can have things on and you don't know.

Mr. Denman stated in regards to Burton we are gathering the facts.

Mr. Lemire stated another business is the FOIA by Ms. Weyl. Ms. Weyl had told Mr. Denman she would call the office and make an appointment to review the records. She has neither called nor made an appointment. Mr. Lemire will let the Board know if anything changes.

Ms. Agorostola asked what was it that Ms. Weyl exactly requested? Mr. Denman stated she requested Mr. Speraw's time and mileage. Mr. Lemire stated that Mr. Denman will be in attendance whenever Ms. Weyl comes in.

Mr. Lemire stated that another matter that needs to be addressed is Lakeside Homes. This community is owned by the same people that own The Crossings at Oak Orchard. They claim that they own all the homes in the Lakeside community except for one. We did the tax research and it shows that this is correct. Lakeside Homes even registered with the RTA, but have not paid any monies. We will take Lakeside Homes off our roll.

Mr. Lemire stated that we pay the full bill for the DSL service. It was supposed to be shared by both organizations, but it never happened. Mr. Lemire asked Mr. Sipple to look into this and send First State an invoice. Mr. Lemire stated that it was an agreement that we had with First State Manufactured Home Association, but it was never acted upon.

Mr. Lemire also stated that this morning we have received a proposed rent increase from First State Manufactured Home Association. The rent increase is for \$5 per month. Mr. Neil recommended that the new Board make that decision. Ms. Agorostola asked if we knew who is on the new Board? Mr. Lemire stated that we did not and as long as no new Board has been selected, business goes on as usual.

Discussion followed.

Mr. Lemire made the motion to enter into a one year lease agreement with a \$5 rent increase. Mr. Posey and Ms. Agorostola seconded that motion. Mr. Strine was not allowed to vote as the landlord of the building and Ms. Rock and Mr. Neil voted against. A quorum was not achieved and the motion didn't carry.

Ms. Allen from First State Manufactured Housing Association was called and asked about the lease. Ms. Allen stated that the lease is a month to month lease with 60 days notice. Mr. Denman stated that this just came up this morning and he wasn't advised on it.

Mr. Lemire moved the motion to the table as Ms. Thompson had not yet arrived to the meeting.

Mr. Lemire withdrew the first motion and Mr. Neil made the motion to accept the lease on a month to month basis. Ms. Rock seconded the motion. Everyone present by voice vote accepted the new lease with one abstention from Mr. Strine.

Mr. Lemire found that while doing parcel searches he could look at communities on line and see how many home owners pay taxes on those communities. For example when you search for Maple Square Community it actually comes up with a number of homes in that community. This helps us to get a baseline of the number of homes. That would be a number that we could look to in an audit from the office. Several members expressed concern about the accuracy of

any such numbers, and believe that an on-site inspection by our Code Enforcement Officer would provide more accurate information.

Ms. Thompson joined the meeting via phone call as she was unable to make it in person.

The Board went back to the new lease. Mr. Lemire wanted to restate the motion and vote on this again.

Mr. Lemire made the motion to continue the lease for the current office on a month to month basis with a \$5 rent fee increase (to take effect upon the expiration of the present lease) with a right to terminate the lease on 60 days notice. Ms. Rock seconded the motion and everyone voted in favor. Mr. Strine did not vote.

Mr. Lemire brought up Summertime and Lighthouse Park which are owned by the Cropper Family. They have requested a refund. The Authority sent out the Compliance Investigator to find out if both parks are truly seasonal which he confirmed and the park owner has also sent us documentation that shows that they are seasonal.

Mr. Speraw went to investigate Summertime which is on Route 1 just outside Rehoboth. He talked to at least a half a dozen people there. It is a seasonal park. They shut everything off and you cannot get in there during the wintertime. Nobody lives there from October to March. He then went to the Lighthouse Park and it is the same situation. Both parks are owned by Mr. Cropper.

Mr. Denman stated he would draft a release and an indemnity agreement that would require the owners of these parks to indemnify the Authority for any possible claims made by the tenants to any of the funds that we are refunding directly to the owners of the park. The owners have represented to the Authority that no part of the assessments paid to the Authority were paid by the tenants.

Mr. Lemire made the motion to refund the contributions of both Summertime (approximately \$14,000) and Lighthouse park (approximately \$8,000) with the conditions set forth by our Legal Counsel. Mr. Strine seconded the motion. The motion carried unanimously by all members present.

The question came up if there should be a letter sent to the tenants by the Authority. Mr. Strine pointed out that the tenants are not required to give us their mailing address.

Mr. Denman said he would draw up the necessary documents. Mr. Denman suggested he draw up a letter for the tenants and have Mr. Cropper mail it out to all his tenants. Mr. Cropper then needs to certify to us that he indeed has sent those letters.

Mr. Lemire stated that everyone should have gotten the response to the Sunset Review Committee. Ms. Rock stated she read it through and thought it was a job well done.

Mr. Denman stated that if the response is acceptable to the Board and no changes needed he would arrange to have it signed by Mr. Lemire and Ms. Lantz after the meeting. Mr. Denman stated the response would then be delivered no later than Friday.

Mr. Denman then stated that hopefully the response will give the Sunset Review Committee a better understanding of the need for the Board and that whatever monies are there will not revert to the Government if they decided to eliminate the Authority.

Mr. Lemire made the motion to accept the Sunset response. Mr. Neil and Mr. Strine seconded that motion. Unanimous approval was given by all members present by voice vote.

A. COMPLIANCE INVESTIGATORS REPORT:

Mr. Speraw's thought on seasonal parks is that to qualify to be seasonal you have to shut off all utilities. Otherwise it is not a seasonal park.

B. FINANCIAL REPORT:

Mr. Sipple stated that the Authority already has collected about \$180,000 in assessments, so we are off to a good start. In July and August of 2011 the Authority spent about \$9,700 whereas we spent about \$9,200 at the end of June 2010 in administrative costs. Mr. Sipple stated it has helped to curb costs.

Regarding the FOIA, a report on Mr. Speraw's wage and mileage payments can be continuously generated. Mr. Sipple stated that the report is not posted on the Authority's website. Mr. Sipple is trying to find out the best way to post it without giving too much personal information. The information will definitely be on the next report for September.

Mr. Lemire stated that we have made changes to the reports from Mr. Speraw. The form was changed to give us more detail including a section where Mr. Speraw puts in the mileage of the Odometer reading for each trip starting at home to a community and from there to the next and so on. It gives more detail and creditability. Mr. Sipple and Mr. Lemire had discussed this before and Mr. Sipple's viewpoint was that there is an honor system in place for that reason. Mr. Sipple thought that with Google Maps he wants to put the burden of proof on them.

Ms. Rock said that they have not seen any of the paperwork so they can't comment on what they haven't seen. Mr. Lemire stated that normally Mr. Speraw's reports have not been sent out to everybody. Ms. Lantz stated she had only sent them to Mr. Lemire. Mr. Strine said he gets the inspection reports once a month. It stated that Mr. Speraw came to Lakeland and Beechwood, how could he accumulate 312 miles? Mr. Lemire stated it depends on what communities he visits and if he goes to Wilmington from Millsboro that can accumulate miles fast.

C. ADMINISTRATIVE REPORT:

Ms. Lantz printed out all the meeting minutes from the last 3 calendar years, Audits and

financial reports for the Sunset Review. She then took all the print-outs over to Mr. Denman's office.

Sussex Manor Home Owners Association has registered with the Authority. Ms. Lantz has updated the website accordingly and also notified the community owner.

Ms. Lantz updated the community owner registration form by adding the total number of lots and how many singlewide and doublewide homes a community has.

Ms. Lantz has also sent out 189 registration letters and included the option to have the landlord fax back the annual registration form. So far Ms. Lantz has received 76 registration forms back.

D. LEGAL COUNSEL REPORT:

Mr. Denman stated as he had mentioned during the last meeting we initiated litigation against 5 parks. One of them was Silver Oaks claiming about \$3,000. Mr. Denman stated that the attorney for Silver Oaks has contacted him and he has put them in touch with Christine Hambleton.

Mr. Denman stated we also sued the Gibbs brothers who inherited the park from their mother. They were very anxious to pay; they have also been given the information to contact Christine Hambleton and should be on track soon.

Mr. Denman stated we have also sued a person named Cropper, not the one dealing with the refund, for \$8910. We have not received an answer to the Complaint and most likely we will get default judgment on them.

Mr. Denman stated that the owner of Pine Haven contacted Mr. Denman and stated he would get in touch with Christine. They have not, so he got back to them today. The owner seemed cooperative.

Mr. Denman stated that regarding the Cottmann case that was filed, the owners claim they own all the homes, but have not given us proof yet. We are trying to confirm that.

Mr. Denman stated that the Sunset Review Questionnaire is due on October 3, 2011 and we will file it in a timely manner.

Mr. Denman stated we are also dealing with a park that is called Hecker Properties that was purchased in 2009. Mr. Denman believed they have approximately 12 homes in their community, but it might be a good idea to have Ed go out there again and check. Mr. Denman stated we try to go out of our way to make these parks cooperate, but the more they ignore us the more we step our collection efforts up a notch. Mr. Denman stated that Ms. Lantz received a rather nasty letter from Mary Hecker. Mr. Denman wanted to report it to the Board. Mr. Denman requested that Ms. Lantz send all Board members a copy of that letter. Mr. Denman then proceeded to read the letter to the Board. Mr. Denman then stated that since Ms. Hecker

bought the park in 2009 we are talking maybe about \$700 that she owes. Mr. Denman said he will not do anything about this unless the Board tells him to. Ms. Agorostola asked what the park was called?

Mr. Denman replied it was called Hecker Properties. Ms. Agorostola thought they need to be educated on how it works. That Ms. Hecker probably did not use a lawyer when she bought the property. Mr. Strine asked Mr. Denman to reply to her letter.

E. LEGISLATIVE REPORT:

Mr. Neil stated that the House bill that establishes our right to recover legal fees plus a 1% penalty for those that have not paid their assessment on time did pass the House. Mr. Neil said that Representative Kowalko had it on his "Must Act" list for the Senate but it was not acted upon. Hopefully when they reconvene in January it will go through. We will push for it to go through.

EXECUTIVE SESSION:

Mr. Lemire made the motion to go into Executive Session at 2.00 P.M. Mr. Neil seconded the motion.

Unanimous approval was given by all members present by voice vote. The Board then went into Executive Session to discuss legal issues relating to the claims for refund submitted by Summertime and Lighthouse Parks.

At 2.20 p.m. Mr. Strine made the motion to come out of Executive Session. Ms. Agorostola seconded the motion.

Unanimous approval was given by all members present by voice vote.

NEW BUSINESS:

Mr. Lemire brought up that the office printer is having problems and that we should consider purchasing a new one. Mr. Lemire stated that he and Ms. Lantz did some research. There are quite a few good printers out there that print on Legal Paper and use a Laser Cartridge that can print up to 8,000 pieces of paper. Ms. Rock asked what the cost would be? Mr. Lemire stated that the printer would cost about \$399 and the extended cartridge about \$120.

Mr. Neil asked Ms. Lantz if this new printer would work for her and Ms. Lantz stated that yes, that would be much better as her current printer sometimes grabs 10 pieces of paper and prints a couple of letters on those papers and then she has to figure out what letters need to be reprinted and do it all over again.

Ms. Rock said that we should just go ahead and order the printer. Mr. Lemire stated that he wanted to bring it to the Board's attention as it was a bit over \$500. Mr. Strine and Ms. Rock wondered was it necessary to vote on this? Mr. Denman thought it was appropriate to inform the Board, but it was a normal operating expense and there was no need to vote on this, but it was

okay to get the Board's blessing. Mr. Lemire made the motion to approve the purchase of a new printer and it was unanimously approved by all members present by voice vote.

CHAIRPERSONS COMMENTS:

Mr. Lemire said that this might be the last time this Board meets in the current form and he would like to say thank you to everyone on this Board. He said the entire time that he has been on the Board everyone made it a pleasant experience. He had leaned on one or the other member of the Board for different reasons and the members were responsible and responsive. Thank you so very much to all of you.

V. ADJOURNMENT:

As there was no further business before the Board, the motion was made for adjournment by Mr. Lemire and seconded by Mr. Strine.

After unanimous approval from the members present, the meeting was adjourned at 2.55 p.m.

Respectfully submitted,

Susanne Lantz
Administrative Assistant